

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Thailand

Cotton and Products Update

2015

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Report Highlights:

TH5155 – MY2015/16 cotton imports are expected to decline 1 to 2 percent due to the weak economic recovery and competition from imported yarn.

Post:
Bangkok

Executive Summary:

MY2015/16 cotton imports are revised down to 1.45 million bales in line with sluggish domestic demand (Table 1). This is a 1 to 2 percent reduction from MY2014/15 as spinners are facing difficulties associated with the weak economic recovery and competition from imported yarn.

The Bank of Thailand revised the country's economic growth to 2.7 in 2015 and 3.7 percent in 2016 (compared to 3 percent and 4.1 percent respectively in its previous forecast) due to slower-than-expected global economic growth. In addition, during the first quarter of MY2015/16, the Office of Industrial Economics (OIE) reported that production of cotton and cotton-blended yarn declined around 2 percent from the same period last year due to large inventories of cotton yarn carried over from MY2014/15. Based on the OIE's inventory index, cotton yarn inventory in the first half of MY2015/16 increased around 20 percent from the same period last year. Local spinners reportedly face strong competition from relatively cheaper imported cotton yarn from India and Vietnam.

Imports of cotton yarn in the first half of MY2015/16 increased to 1,431 metric tons, up 27 percent from the same period last year. Indian cotton yarn accounted for around 40 percent of total cotton yarn imports, up from 35 percent in MY2014/15. Cotton yarn imports from Vietnam also increased significantly to 555 metric tons, compared to 93 metric ton in the same period last year.

Table 1: Thailand's Cotton Production Supply and Demand

Cotton	2013/2014		2014/2015		2015/2016	
Market Begin Year	Aug 2013		Aug 2014		Aug 2015	
Thailand	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	1	0	1	0	1
Area Harvested	1	1	1	1	1	1
Beginning Stocks	243	243	215	243	212	192
Production	2	2	2	2	2	2
Imports	1546	1550	1470	1473	1450	1450
MY Imports from U.S.	0	531	0	496	0	490
Total Supply	1791	1795	1687	1718	1664	1644
Exports	1	2	0	1	3	3
Use	1550	1525	1450	1500	1400	1480
Loss	25	25	25	25	25	25
Total Dom. Cons.	1575	1550	1475	1525	1425	1505
Ending Stocks	215	243	212	192	236	136
Total Distribution	1791	1795	1687	1718	1664	1644

(1000 HA) ,1000 480 lb. Bales

